

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6448

BILL NUMBER: HB 1101

DATE PREPARED: Jan 30, 2002

BILL AMENDED: Jan 30, 2002

SUBJECT: Various Election Law Changes.

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FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill makes changes to election law concerning the following:

- (1) The formulation by the Election Commission of a statement of a "Voter's Bill of Rights".
- (2) The date that electronic filing of certain campaign finance reports is considered to have occurred.
- (3) The total number of signatures that a candidate for President of the United States, United States Senator, or Governor is required to obtain to qualify for placement on the ballot.
- (4) The requirement for an individual who registers to vote to provide the last four digits of the individual's Social Security number.
- (5) The filing of statements of organization by political committees.
- (6) Administrative disbanding of political committees.
- (7) An erroneous reference in a statute relating to absentee voting.
- (8) Deadlines for taking certain actions relating to filing candidate vacancies.
- (9) Determination of the political affiliation of an appointee to a local board.
- (10) Authorizing the election commission to adopt rules to update standards for voting systems.

Effective Date: Upon passage; July 1, 2002; January 1, 2003..

Explanation of State Expenditures: (Revised) (1) The bill as amended requires the Election Commission to prescribe the Voter's Bill of Rights. The Commission may require copies of the Voter's Bill of Rights to be distributed with voter registration materials or other materials given to voters. It is estimated that the printing and distribution costs of the Voter's Bill of Rights may not be absorbable in the FY 2003 budget year. The Commission may require additional funds in future budget years for this provision. Posting of the Voter's Bill of Rights on the web site of the Secretary of State or other state web sites is expected to generate no additional cost to the state.

The Secretary of State would also be required to request the Indiana news media to include a copy of the Voter's Bill of Rights in a public service announcement (PSA). Production of a minimal PSA is estimated in a range of \$500 to \$600. A minimal PSA could include still frames with a background narrator or voice over. An upper end PSA requiring camera time with an actor or actress, animated logos, lighting, and editing would require additional expenditures. It is estimated that production of an upper end PSA could require expenditures ranging from \$2,000 to \$20,000.

(2) This provision could change the timing as to when a candidate files a campaign finance report. This provision could save Indiana Election Division (IED) staff resources for other administrative uses. Under current law, candidates that file electronically do so by submission of a disk containing the candidate's report. The current process requires IED staff to physically print a hard copy of and time stamp each report.

(3) The IED would require minor expenditures in order to update petition forms.

(4) Currently, state form 50504 has a space and check box provided to indicate and report the last four digits of the registering voter's social security number. This provision should have no fiscal impact.

(5) No Fiscal Impact.

(6) Under current law the Indiana Election Division (IED) or a county election board (CEB) may begin a proceeding with the Indiana Election Commission (IEC) to disband a candidate committee. The bill changes the provision to include the following conditions for disbandment: the candidate committee has not filed any report of expenditures during the previous three calendar years; the candidate committee last reported cash on hand in an amount that does not exceed \$1,000.

Current law does not allow for disbandment if the committee owes debts to any person other than a civil penalty assessed by the IEC or CEB, or if the candidate was also the committee's chairman/treasurer. When a proceeding occurs, the IED or CEB is required to provide notice via certified mail to the chairman and treasurer of the committee named in the proceeding. Rates for certified mail are as follows: \$2.10 for certification and \$0.34 for first class postage. If mail weighs more than an ounce, \$0.23 is charged per each additional ounce.

Historically, the IEC has disbanded four to five candidate committees per year. On average, 20 to 40 candidate committees file pre-primary and pre-general election campaign finance reports late, and between 50 to 70 candidate committees file late annual campaign finance reports. The IED can assess a civil penalty for failure to file. The maximum penalty that may be assessed is \$1,000. In FY 2001, \$15,104 in civil penalties were assessed by the IED. Under the bill, the IED would be able to disband candidate committees that IED no longer has communication with.

Under the bill, the IEC or the CEB may waive outstanding civil penalties imposed previously by the IEC or CEB. Additionally, if the dissolution of a candidate committee goes forward, any surplus contributions must be distributed to either a regular party committee(s), another candidate committee(s), to the contributors pro rata, a federal income tax exempt organization, or the IEC.

The IED must arrange for publication in the Indiana Register any orders to administratively disband a committee. A CEB must publish a notice to the same effect. Under P.L. 64-1995, basic publishing charges are by the line with squares of 250 ems. Before January 1, 1996, the rate was \$3.30 per square for the first insertion in a newspaper or qualified publication plus \$1.65 per square for each additional insertion in a newspaper or qualified publication. After December 31, 1995, and before December 31, 2005, a newspaper or qualified publication may, effective January 1, increase the basic charges by 5% more than the basic charges that were in effect during the previous year. However, the basic charges for the first insertion of a public notice in a newspaper or qualified publication may not exceed the lowest classified advertising rate charged to advertisers by the newspaper or qualified publication for comparable use of the same amount of space for other purposes. An additional charge of 50% is allowed for the publication of all public notice advertising containing rule or tabular work.

The impact of this provision is indeterminable and would depend on the increase or reduction of the amount of proceedings filed as a result of the bill.

(7) - (9) These provisions will have no fiscal impact.

(10) This provision allows the Election Commission to adopt rules concerning more recent standards for voting equipment. The provision, if the Election Commission choose to meet to adopt new rules should have a minimal impact to state expenditures. The Commission could incorporate hearings on new rules during the course of a regularly scheduled business meeting.

Explanation of State Revenues: (6) As described in *Explanation of State Expenditures*, if more civil penalties are waived by the IED as a result of the bill, fewer civil penalties would be collected.

Explanation of Local Expenditures: (1) - (5) No fiscal impact.

(6) See *Explanation of State Expenditures*.

(7) - (9) Little to no fiscal impact should result from these provisions.

Explanation of Local Revenues:

State Agencies Affected: Indiana Election Division, Indiana Election Commission.

Local Agencies Affected: County election boards.

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